

PROVO RIVER DISTRIBUTION SYSTEM
MINUTES OF THE ANNUAL MEETING OF THE BOARD OF DIRECTORS
JANUARY 19, 2006

Pursuant to the Articles of Association, as amended by the Provo River Distribution System, and due notice having been given to all members, the Board of Directors of the Provo River Distribution System convened at 1:00 p.m. on January 19, 2006, at Central Utah Water Conservancy District offices, located at 355 West University Parkway, Orem, Utah.

Board Members in Attendance

Alan Brown	Heber Valley East
Jeff Bryant	Provo Reservoir Water Users Company
Keith Denos	Provo River Water Users Association
Daryl Devey	Central Utah Water Conservancy District
Farrell Knight	Individual Rights
Bart Simons	Provo Canals
Ed Ure	Kamas Valley Canals
Ken VanWagoner	Heber Valley West

Roy Peterman attended the meeting in behalf of Boyd Rollins who was unable to attend.

Jack Jones was excused from the meeting.

Others in Attendance

Ben Anderson	Utah Division of Water Rights
Connely Baldwin	PacifiCorp
Tom Bruton	Central Utah Water Conservancy District
Jared Francis	Provo River Water Users Association
Fred Gummow	Deputy River Commissioner
Shane Jones	Provo City Water Resources
John Larsen	Utah Division of Water Rights
John Mann	Utah Division of Water Rights
Linden Maxfield	Deputy River Commissioner
Stan Roberts	River Commissioner
Lee Sim	Utah Division of Water Rights
Debbie Vanoy	Central Utah Water Conservancy District

Call to Order

The meeting was called to order by Chairman Ure.

2005 Minutes

Mr. Devey pointed out some corrections to the minutes. They are as follows: (1) on page 3, the fourth paragraph, a "t" needs to be added to Commissioner Roberts name; (2) on page 6, the fourth paragraph, Director Sim should be changed to Lee Sim; and (3) on page 6, the fifth paragraph it should be Director Simons seconding the motion instead of Lee Simons.

Mr. VanWagoner made a motion to accept the minutes with the corrections pointed out by Mr. Devey. Mr. Bryant seconded the motion. The motion passed unanimously.

2005 Commissioner's Report

Mr. Roberts distributed a handout, "Commissioner's Report 2005," which has been made a part of these minutes by this reference. Mr. Bryant made a motion to accept the River Commissioner's report. The motion was seconded by Mr. VanWagoner. The motion passed unanimously.

Mr. Sim introduced John Mann to the Board as the new regional engineer for the Provo River, replacing Jim Riley who had previously retired.

2005 Financial Report

Mr. Sim distributed copies of the "Provo River (LCD) Distribution System Trust Fund 2005 Financial Statement" and the "Provo River Distribution System Trust Fund 2005 Financial Statement." These reports have been made a part of these minutes by this reference. These reports were then explained in detail by Mr. Sim.

At the request of Mr. Knight, Mr. Sim explained the system is financed by assessing the water users on the Provo River System according to the law for the expenses and salary of the River Commissioner. On the Provo River System the assessments are made based on the water rights, not necessarily the deliveries. These assessments are sent out, collected, and put into a trust fund by the State Engineer. However, Lake Creek, Center Creek, Daniel Creek, and Wallsburg (LCD System) areas cannot be assessed in the same way because of the manner the water rights are set up. So the funds collected from these areas are kept separate from the Provo River System. When expenses occurred, payment was made from the Provo River System account and then money was transferred from the LCD account back into the Provo River System account. This is because a budget has not been set for the LCD System.

Mr. Sim explained that liability, as far as regulation goes, is covered by the State because the River Commissioner is delivering water according to instructions given to him by the State. In the event that someone was to sue because of that regulation and claim that they were damaged because of the manner in which the water was distributed, they would most likely sue the River Commissioner and the State Engineer. In that situation, the River Commissioner would be defended by the Attorney General's office, as would the State Engineer.

Mr. Sim stated that the assessment for LCD for last year was sent out at \$3,000, however only about \$2,000 has been paid. There are two accounts that have not paid, Don Clyde and Center Creek Irrigation Company. Mr. Roberts gave a brief explanation regarding his knowledge of why the two accounts have not been paid.

Mr. Sim then directed the Board's attention to the "Provo River Distribution System Trust Fund 2005 Financial Statement." He explained that an additional column had been added to the statement so the State had a place to show where possible corrections to the accounts were made in the event of errors. Mr. Sim then explained this statement in detail.

It was brought out that Mr. Giles, the former deputy, had been overpaid by approximately \$600. Mr. Sim apologized for the error and offered to have the State send a letter to Mr. Giles asking that the money be returned.

Mr. Denos made a motion that the Board not request the money to be returned by Mr. Giles. The motion was seconded by Mr. Bryant. The motion passed unanimously.

Mr. Sim also pointed out that the assessment for last year was supposed to be set at \$140,000. However, there was a misunderstanding at the State Engineer's office and the assessment was actually set at \$141,000.

While discussing the delinquent accounts, Mr. Roberts stated that one individual has requested that he cease to be on the system. This individual has a water right and has not used it for years. Mr. Sim requested the State be sent a letter from the individual when this type of event happens, because it really is an abandonment of the water right and the State needs to have a record in their file.

Mr. Devey made a motion to accept the financial reports. Mr. Bryant seconded the motion. The motion passed unanimously.

A discussion ensued about the timing of this meeting. It was decided that the meeting with the State would be held on the fifth Tuesday of the year.

Mr. Denos made a motion to change the by-laws of the Board to allow the change in the meeting time. The motion was seconded by Mr. Devey. The motion passed unanimously.

Budget

Mr. Devey explained that the Telephone Expense account had been increased by \$650 to cover the expense for a cell phone for Mr. Roberts and \$500 has been added to the Committee Expense account to cover the expense of a secretary. Mr. Sim stated that some systems have secretary expense as a line item and it could be put there or under the Committee Expense whichever they preferred. It was determined it would be best to add the new line item Secretary Expense.

A discussion then ensued regarding the remaining budget items.

Mr. Denos explained to the State that the commissioner's wages have been set and once the reports are received, then a bonus could be provided to the Commissioner next year.

Mr. Devey made a motion to assess for \$132,000 for 2006. The motion was seconded by Mr. Bryant. The motion passed unanimously.

A discussion ensued about the budget for the LCD system and it was determined that a budget should be set for the LCD System.

Mr. Devey made a motion to assess the LCD System for \$2,500 for 2006 and transfer \$4,000 of the LCD System account into the Provo River account.

Mr. VanWagoner pointed out that the assessment for the State had not been included in this amount.

Mr. Devey then amended his motion to assess the LCD System for \$3,000 for 2006 and transfer \$4,000 of the LCD System account into the Provo River account to reimburse the Provo River

System account for expenses incurred on the LCD System which were charged to the Provo River System. The motion was seconded by Mr. Brown. The motion passed unanimously.

Mr. Roberts informed the State that the officers of this Board will remain the same. Mr. Ure is the president and Mr. Devey is the vice-president. It was also noted that Debbie Vanoy has been appointed secretary.

Mr. Sim stated that the State has gone up to the Wallsburg area and determined that it will take some time to come up with a plan on how to administer the water rights. The State feels until that happens, the Wallsburg area should not be assessed until the State commences with regulation.

Other Business

Mr. Sim then discussed the State's concern about the reports on the Provo River. He proposed that a committee be formed with members from the State, Mr. Roberts, and a couple of members of this Board to start addressing this issue. It would be the goal of the committee to end up with a reporting plan that Mr. Roberts feels good about, the State feels good about, and that will work as a transition is made to a new commissioner upon the retirement of Mr. Roberts.

Mr. VanWagoner made a motion that Mr. Denos and Mr. Devey be appointed to serve on this committee. Mr. Knight seconded the motion. The motion passed unanimously.

Mr. VanWagoner made a motion that the meeting adjourn. The motion was seconded by Mr. Devey. The motion passed unanimously.

The meeting adjourned.

Commissioner's Report 2005

This was an abundant water year. The reservoirs filled and there was extra allotment from Deer Creek Reservoir from June 1 through July 11. Extra allotment was also allowed from August 21 through October 26 to allow the reservoir to come down so that repairs to a filter on the face of the dam could be completed.

The June sucker received 12, 650 acre feet of water from May through July and 15,000 acre feet of Weber water was stored in Utah Lake for later exchange to Deer Creek Reservoir.

Priority of water rights to high flows on the Provo River was reversed this year with water first going to Jordanelle and then to Deer Creek. This was made possible because of the plentiful water supply and the cooperation of involved right-holders. It made the filling of Deer Creek and Jordanelle reservoirs much easier.

Washington lake, Trial Lake and Lost Lake filled and 5,008 acre feet was stored in Jordanelle for Upper Lake right holders.

Water rights in Heber Valley and above were delivered as follows:

- 17th class from May until July 11
- 14th class until July 18
- 5th class until July 23
- 100 percent of first class until August 12
- 75 percent of first class into September

Water rights on the Provo River below Deer Creek remained at 100 percent of first class for the entire season. Exceptionally high flows into the river in Provo canyon were observed all summer. Apparently due to the extreme amount of snow that fell on Timpanogos and Cascade mountains, Slide Canyon ran continuously into the winter and Upper Falls and Bridal Veil Falls flowed the most in 33 years of observation.

Flows into the Murdock Canal started the 18th of May but had to be reduced on the 28th of June due to a leak in the canal near the point of the mountain.

After 40 years of service, poor health forced Sherman Giles to retire as deputy river commissioner. He had also served as a board member for nearly 60 years. His service and knowledge of the river will be missed..



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

MICHAEL R. STYLER
Executive Director
JERRY D. OLDS
State Engineer/Division Director

PROVO RIVER (LCD) DISTRIBUTION SYSTEM TRUST FUND 2005 Financial Statement

A. BEGINNING BALANCE	January 1, 2005	\$8,491.69
B. RECEIPTS		
1. Regular Assessments:		\$2,082.37
2. Special Assessments:		0.00
3. Delinquent Penalties:		81.67
4. Previous Assessments & Penalties:		153.56
5. Transfers & Adjustments:		0.00
6. Annual Interest Earned:		248.31
7. System Reimbursements:		0.00
TOTAL RECEIPTS		2,565.91
C. EXPENDITURES		
1. Budgeted Expenditures:		0.00
2. Special Expenditures:		1,700.00
3. Transfers & Adjustments:		0.00
TOTAL EXPENDITURES		1,700.00
D. ENDING BALANCE	December 31, 2005	9,357.60

NOTICE: Expenditures and Assessments received after
December 20, 2005 MAY OR MAY NOT be included in
this financial statement.

SUBMITTED BY :

Jerry D. Olds
Jerry D. Olds, P.E.
State Engineer

1/13/06
DATE

PREPARED BY:

Dennis Carroll
Dennis Carroll
Budget & Accounting Officer

PROVO RIVER (LCD) DISTRIBUTION SYSTEM
2005 Budget Expenditures

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Item No	Item Description	2005 Amount Budgeted	2005 Amount Expended	2005 Amount Reimbursed	2005 Item Balance
1	Contract Service	0.00	1,100.00	0.00	-1,100.00
2	System Transfer	0.00	600.00	0.00	-600.00
Totals :		0.00	1,700.00	0.00	-1,700.00

PROVO RIVER (LCD) DISTRIBUTION SYSTEM
2005 Total Assessment Amount : \$3,000.00

PROVO RIVER (LCD) DISTRIBUTION SYSTEM
2006 Proposed Budget Worksheet

Item No	Item Description	2005 Amount Budgeted	2005 Item Balance	2006 Proposed Budget
1	Contract Service	0.00	-1,100.00	
2	System Transfer	0.00	-600.00	
Totals :		0.00	-1,700.00	

OVO RIVER (LCD) DISTRIBUTION SYSTEM
2005 Delinquent Water Assessments

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Account Number	Billing Entity Billing Contact	Amount Due
101974	CLYDE, DON DO NOT MAIL BAD ADDRESS	1,482.75
101978	Holmes Development LLC	292.23
101981	CENTER CREEK IRRIGATION CO SWEAT, DUANE	2,112.00
101990	LAKE CREEK IRRIGATION CO ATTN: DEVIN MCKROLA	73.52
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Total Amount Due :		3,960.50



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Water Rights

MICHAEL R. STYLER
Executive Director

JERRY D. OLDS
State Engineer/Division Director

PROVO RIVER DISTRIBUTION SYSTEM TRUST FUND 2005 Financial Statement

A. BEGINNING BALANCE	January 1, 2005	\$67,839.03
B. RECEIPTS		
1. Regular Assessments:	\$140,763.76	
2. Special Assessments:	0.00	
3. Delinquent Penalties:	314.41	
4. Previous Assessments & Penalties:	5,090.55	
5. Transfers & Adjustments:	0.00	
6. Annual Interest Earned:	2,921.14	
7. System Reimbursements:	600.00	
TOTAL RECEIPTS		149,689.86
C. EXPENDITURES		
1. Budgeted Expenditures:	112,367.13	
2. Special Expenditures:	16,271.94	
3. Transfers & Adjustments:	0.00	
TOTAL EXPENDITURES		128,639.07
D. ENDING BALANCE	December 31, 2005	88,889.82

NOTICE: Expenditures and Assessments received after
December 20, 2005 MAY OR MAY NOT be included in
this financial statement.

SUBMITTED BY :

Jerry D. Olds
Jerry D. Olds, P.E.
State Engineer

1/13/06
DATE

PREPARED BY:

Dennis Carroll
Dennis Carroll
Budget & Accounting Officer

PROVO RIVER DISTRIBUTION SYST
2006 Proposed Budget Worksheet

Item No	Item Description	2005 Amount Budgeted	2005 Item Balance	2006 Proposed Budget
<hr/>				
	Roberts Jr., Stanley H.			
1	Salary	56,792.00	0.00	<hr/>
2	Social Security	4,345.00	42.61	<hr/>
3	Retirement	8,451.00	-5.37	<hr/>
4	Insurance	0.00	-11,338.00	<hr/>
5	Travel Expense	1,500.00	-56.67	<hr/>
	Giles, Sherman A.			
6	Salary	6,637.00	-503.00	<hr/>
7	Social Security	508.00	-22.95	<hr/>
8	Retirement	988.00	-74.45	<hr/>
9	Insurance	0.00	-2,461.31	<hr/>
	Gummow, Fred			
10	Salary	5,000.00	0.00	<hr/>
11	Social Security	400.00	17.50	<hr/>
12	Insurance	0.00	-50.34	<hr/>
13	Travel Expense	600.00	91.86	<hr/>
	Maxfield, Linden			
14	Salary	10,000.00	0.00	<hr/>
15	Social Security	765.00	0.00	<hr/>
16	Retirement	1,480.00	1,480.00	<hr/>
17	Insurance	0.00	-100.92	<hr/>
18	Travel Expense	1,800.00	1,284.03	<hr/>
19	Health Insurance	14,000.00	14,000.00	<hr/>
20	Committee Expense	4,000.00	2,690.29	<hr/>
21	Office Expense	2,400.00	-1,658.93	<hr/>
22	Supplies & Equipment	1,400.00	1,400.00	<hr/>
23	Telephone Expense	1,000.00	249.62	<hr/>
24	Miscellaneous Expenses	1,409.00	456.96	<hr/>
25	State Engineer Assessment	10,605.00	0.00	<hr/>
26	Annual Report	400.00	400.00	<hr/>
27	System Transfer	0.00	600.00	<hr/>
Totals :		134,480.00	6,440.93	

PROVO RIVER DISTRIBUTION SYSTEM
2005 Budget Expenditures

Page 2

Item No	Item Description	2005 Amount Budgeted	2005 Amount Expended	2005 Amount Reimbursed	2005 Item Balance
	Roberts Jr., Stanley H.				
1	Salary	56,792.00	56,792.00	0.00	0.00
2	Social Security	4,345.00	4,302.39	0.00	42.61
3	Retirement	8,451.00	8,456.37	0.00	-5.37
4	Insurance	0.00	11,338.00	0.00	-11,338.00
5	Travel Expense	1,500.00	1,556.67	0.00	-56.67
	Giles, Sherman A.				
6	Salary	6,637.00	7,140.00	0.00	-503.00
7	Social Security	508.00	530.95	0.00	-22.95
8	Retirement	988.00	1,062.45	0.00	-74.45
9	Insurance	0.00	2,461.31	0.00	-2,461.31
	Gummow, Fred				
10	Salary	5,000.00	5,000.00	0.00	0.00
11	Social Security	400.00	382.50	0.00	17.50
12	Insurance	0.00	50.34	0.00	-50.34
13	Travel Expense	600.00	508.14	0.00	91.86
	Maxfield, Linden				
14	Salary	10,000.00	10,000.00	0.00	0.00
15	Social Security	765.00	765.00	0.00	0.00
16	Retirement	1,480.00	0.00	0.00	1,480.00
17	Insurance	0.00	100.92	0.00	-100.92
18	Travel Expense	1,800.00	515.97	0.00	1,284.03
19	Health Insurance	14,000.00	0.00	0.00	14,000.00
20	Committee Expense	4,000.00	1,309.71	0.00	2,690.29
21	Office Expense	2,400.00	4,058.93	0.00	-1,658.93
22	Supplies & Equipment	1,400.00	0.00	0.00	1,400.00
23	Telephone Expense	1,000.00	750.38	0.00	249.62
24	Miscellaneous Expenses	1,409.00	952.04	0.00	456.96
25	State Engineer Assessment	10,605.00	10,605.00	0.00	0.00
26	Annual Report	400.00	0.00	0.00	400.00
27	System Transfer	0.00	0.00	600.00	600.00
	Totals :	134,480.00	128,639.07	600.00	6,440.93

PROVO RIVER DISTRIBUTION SYSTEM
2005 Total Assessment Amount : \$141,000.00

PROVO RIVER DISTRIBUTION SYSTEM
2005 Delinquent Water Assessments

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Account Number	Billing Entity Billing Contact	Amount Due
101699	KNUDSEN, ANDREW	96.35
101740	BAUM, ISAAC R.	45.00
101768	GINES, MRS AFTON BISEL, DELOY	479.40
101773	HULT, D RAY & RONDA N	12.96
101791	Moon, Heber	189.35
101812	McAffee, Scott	172.49
101833	LINCOLN REALTY	33.63
101865	CRITTENDEN, SPENCER & RACHAEL	16.50
101867	DAVIS, RICHARD	52.80
101875	JOHNSON, CHARLOTTE	16.50
101876	DAVIS, RICHARD	52.80
101877	DAVIS, RICHARD	52.80
101883	RODEBACK, JIM	16.50
101887	DAVIS, RICHARD	52.80
101890	DAVIS, RICHARD	52.80
101894	BECK, LARRY R.	34.65
101919	WELLS FARGO BANK	152.66

PROVO RIVER DISTRIBUTION SYSTEM
05 Delinquent Water Assessment

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Account Number	Billing Entity Billing Contact	Amount Due
101931	CHRISTENSEN, VAUDIS B FAMILY TRUST MS JEANNETTE C REED CO TRUSTEE WITH GALE K CHRISTENSEN	33.63
101935	ROBERTS, STANLEY H	34.65
101947	ROBERTS, STANLEY H	34.65
101955	KING, VAL WARREN	100.11
101957	ROBERTS, STANLEY H	65.90
101958	ROBERTS, STANLEY H	34.65
101959	ROBERTS, STANLEY H	34.65
101962	COLUNGA, JIMMIE	16.50
101965	LOMBARDI, SALLY ANN	102.01
102920	CLARK, RICHARD OWEN & PENNY CHRISTOFFERSON	69.09
102928	T.K. ASSOCIATES LLC	45.00
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Total Amount Due :		2,100.83